UNITED NATIONS

General Assembly

FORTY-EIGHTH SESSION

Official Records

FIFTH COMMITTEE
37th meeting
held on
Saturday, 11 December 1993
at 3 p.m.
New York

SUMMARY RECORD OF THE 37th MEETING

Chairman: Mrs. EMERSON (Portugal)
(Vice-Chairman)

Chairman of the Advisory Committee on Administrative and Budgetary Questions: Mr. MSELLE

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Distr. GENERAL
A/C.5/48/SR.37
28 February 1994
ENGLISH
ORIGINAL: FRENCH

93-82972 (E)

The meeting was called to order at 3.35 p.m.

AGENDA ITEM 124: IMPROVING THE FINANCIAL SITUATION OF THE UNITED NATIONS (continued)

Draft resolution A/C.5/48/L.9

1. The CHAIRMAN drew attention to draft resolution A/C.5/48/L.9, entitled "Improving the financial situation of the United Nations".

2. Draft resolution A/C.5/48/L.9 was adopted.

AGENDA ITEM 123: PROPOSED PROGRAMME BUDGET FOR THE BIENNIUM 1994-1995 (continued) (A/48/6, A/48/7, A/48/16 (Parts I and II), A/48/32/Rev.1/Add.1; A/C.5/48/9 and Corr.1 and Add.1, A/C.5/48/26, A/C.5/48/51)

First reading (continued)

Part IX. Jointly financed activities and special expenses

Part X. Staff assessment

Part XI. Capital expenditures

3. The CHAIRMAN invited the Committee to consider parts IX, X and XI of the proposed programme budget for the biennium 1994-1995. The total appropriations requested by the Secretary-General amounted to US$ 64,714,600 for part IX, US$ 448,196,900 for part X and US$ 91,803,700 for part XI. The Advisory Committee on Administrative and Budgetary Questions (ACABQ) had recommended appropriations totalling US$ 57,984,000 for part IX, US$ 402,925,000 for part X and US$ 83,148,400 for part XI.

4. Mr. TAKASU (Controller) said that the appropriation requested under section 27 for contributions to after-service health insurance amounted to approximately US$ 28 million, divided among the health insurance plans administered at Headquarters (US$ 22 million, of which approximately US$ 19 million corresponded to the health insurance subsidies for retirees residing in the United States of America), Geneva (US$ 5.5 million) and Vienna (US$ 500,000) and the plan for locally recruited staff (US$ 200,000). The dramatic escalation of health-care costs in recent years had placed a greater financial burden on both the Organization and its staff. However, health insurance protection for staff members was a key element of the overall compensation and conditions of service of the international civil service. Adequate health protection was essential if the United Nations wished to maintain its standing as a good employer and was particularly important at a time when staff members were being called upon to serve in extremely difficult circumstances. An appropration of US$ 5.8 million had also been requested under section 27 to cover the cost of agreed separations of staff members during the biennium.

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5. The Organization needed modern and effective management tools. The introduction of the Integrated Management Information System (IMIS), for which appropriations had been requested under section 29 of the proposed programme budget, represented one of the most important reforms the Organization had undertaken to rationalize its work methods and improve the management of its human and financial resources. The Secretariat hoped that the system would soon become operational and appreciated the position taken by the Advisory Committee regarding appropriations for the project.

6. An appropriation of US$ 2.85 million had been requested under section 30 to finance the installation of earth stations for communication satellites in three headquarters cities. The Secretary-General had submitted a report on that question (A/C.5/48/11), and an executive summary had been circulated to members of the Committee. Although the Advisory Committee had considered the request to be premature, he was nevertheless requesting provisional approval of the appropriation in order not to undermine the establishment of a satellite-based global telecommunications network, which could result in cost savings while ensuring the safety of staff members around the world.

7. The appropriation requested under section 30 for alterations and major maintenance was justified in view of the advanced age of many United Nations properties, the need to meet modern safety and environmental standards and the rising demand for additional office accommodations. Further deferral of maintenance work and renovations would lead to even greater expenditure in the future. In that context, a master plan for United Nations facilities in New York and an action plan for renovations were absolutely essential.

8. Ms. SAEKI (Japan) said that in view of the Organization's financial difficulties, expenditures for construction, alteration, improvement and major maintenance of United Nations facilities (section 30) should be minimized by procedures such as the submission of proposals for major projects to the Advisory Committee for prior authorization. With regard to special expenses (section 27), she hoped that the necessary agreed separations would take place.

9. With regard to the proposed programme budget for 1994-1995 as a whole, Japan hoped that the final figures, including programme budget implications, would show zero growth, although adequate resources should be allocated to priority areas. Her delegation regarded across-the-board reductions in staff costs, travel and general operating expenditures as appropriate.

10. The new vacancy management system would ensure more flexible deployment of human resources through the maintenance of a pool of vacant posts; the Advisory Committee's authorization should be sought when resources were transferred between sections within authorized budget levels. Her delegation wished to return to the issue of recosting in informal consultations. Lastly, she welcomed the ending of the recruitment freeze and said that the reclassifications proposed in the Secretary-General's report should be considered as soon as possible.

11. Mr. ORR (Canada), referring to paragraph 26.62, noted an apparent discrepancy between the number of work-months required for the implementation of the programme of the Consultative Committee on Administrative Questions (CCAQ) for the biennium (72) and the number of posts provided for (6). He requested clarification of the matter. In addition, as there seemed to be some overlap in the work done by CCAQ and the International Civil Service Commission (ICSC) on personnel matters, he wondered whether there was any plan to rationalize the activities of those bodies.

12. His delegation wished to know what effect the implementation of the Integrated Management Information System (IMIS) would have on the International Computing Centre (ICC) at Geneva and whether the United Nations would still need to use the Centre's services once IMIS was in operation.

13. With regard to section 27, he said that in view of the fact that health insurance premiums in the New York area were to increase by about 4 per cent over two years it was astonishing that the recosting of after-service health insurance coverage involved an increase of roughly 15 per cent a year.

14. He commended the Secretariat on the excellent presentation of IMIS in section 29 and particularly on table 29.4, which was extremely useful. His delegation continued to support the introduction of IMIS and considered that the 20 per cent overrun on the provisional budget already noted was acceptable, given the magnitude of the project. On the other hand, it did not find the cost-benefit analysis of the optical disk storage and retrieval system very convincing and would prefer to be given a detailed estimate, with figures of the expected benefits of the system.

15. With regard to section 30, and more specifically with regard to the $17 million required for construction in 1994-1995, he wished to know whether account had been taken of the important item which appeared in the United Nations financial report for the biennium ended in 1991 under the heading "Projects of a multi-year nature: United Nations Construction-in-progress Fund". His delegation hoped to hear further details in informal consultations.

16. His delegation understood the Advisory Committee's reservations regarding the proposed global satellite telecommunications network, particularly since the document introducing the project was confusing, to say the least. He wished to know what the useful life of the proposed system would be and wondered why it was necessary to have three satellite earth stations, even though the main traffic would be between two regions, namely North America and Europe-Africa.

17. As for the appropriations under section 30 for alterations and improvements, he recognized that, given its age, the Headquarters building needed extensive work. Some of the proposed expenditure for that purpose, however, seemed excessive, particularly the $400,000 earmarked for the replacement of security booths at the entrance to the building.

18. Mr. TAKASU (Controller), replying to the question from the representative of Canada regarding paragraph 26.62, confirmed that the programme involved apportioning the work among six posts - three in the Professional category and three in the General Service category - over two years, for a total of

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144 work-months. As for the respective roles of CCAQ and ICSC, he drew attention to paragraphs 26.52 and 26.53, which outlined the terms of reference of CCAQ. No duplication of effort was involved: ICSC determined the programme of work, while CCAQ analysed the situation and prepared the data that were to be submitted to ICSC for consideration.

19. With regard to the effects of the introduction of IMIS on CCI, the Centre would continue to be responsible for maintenance and technical support services. Indeed, in addition to the United Nations itself, the Office of the United Nations High Commissioner for Refugees and the International Labour Organization, several specialized agencies were displaying a growing interest in the Centre. It would be recalled in that connection that CCI charged the United Nations only for the computer hours and services actually used. As for after-service health insurance, premiums were calculated on the basis of trends observed not only in the New York area, but throughout the world. He promised to present more detailed statistics at the next round of informal consultations.

20. He referred the representative of Canada to the Secretary-General's latest report on the satellite telecommunications system and explained that the $2.8 million required included the costs of installing satellite earth stations at Nairobi, at the Economic and Social Commission for Western Asia and at the Economic Commission for Latin America and the Caribbean, in addition to those already existing at New York, Geneva, Bangkok and Addis Ababa. If the decision was deferred, the United Nations would faced increased expenditure for telephones, faxes and so forth. Moreover, telephone links with some regions were not always reliable.

21. The CHAIRMAN said she would take it that the Committee wished to consider sections 26 to 30 as a whole in informal consultations.

22. It was so decided.

Income section 1. Income from staff assessment

Income section 2. General income

Income section 3. Services to the public

23. The CHAIRMAN said she would take it that the Committee wished to consider income sections 1 to 3 in informal consultations.

24. It was so decided.

25. Mr. MERIFIELD (Canada) said that his delegation considered that the Committee must be given at least 24 hours to examine the financial statements and the budget performance report before reaching a decision on them, as had been agreed the previous year.

The meeting rose at 4.15 p.m.